DOCUMENT RESUME

ED 315 488 UD 027 267

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TITLE	Programs Benefiting the Homeless: FY87-FY89 Appropriations Trends. CRS Report for Congress.
INSTITUTION	Library of Congress, Washington, D.C. Congressional Research Service.
REPORT NO	CRS-89-20-EPW
PUB DATE	6 Jan 89
NOTE	12p.
PUB TYPE	Reports - Descriptive (141) -- Legal/Legislative/Regulatory Materials (090)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Emergency Programs; *Federal Legislation; *Federal Programs; *Financial Support; Grants; *Homeless People; Housing Needs; Job Training; *Social Services
IDENTIFIERS	Congress 100th; Congress 101st; *Stewart B Mckinney Homeless Assistance Act 1987

ABSTRACT

This report reviews the three-year funding levels for the major Federal programs that primarily benefited the homeless from fiscal year 1987 through fiscal year 1989. Most of these programs were enacted by the Stewart B. McKinney Act and began receiving appropriations in fiscal year 1987. The following programs are described: (1) Emergency Food and Shelter Grants; (2) Emergency Shelter Grants Program; (3) Runaway and Homeless Youth Program; (4) Supportive (Transitional) Housing Demonstration Program; (5) Supplemental Assistance for Facilities to Assist the Homeless; (6) Domiciliary Care Program; (7) Adult Education for the Homeless; (8) Education for Homeless Children and Youth; (9) Job Training for the Homeless; (10) Homeless Veterans' Reintegration Projects; and (11) Emergency Community Services Homeless Grant Program. The legislative history of these programs is discussed and data are presented in tabular form. The three-year funding trends for these homeless programs are discussed and compared based on the type of service provided. (JS)

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CRS Report for Congress

Programs Benefiting the Homeless: FY87-FY89 Appropriations Trends

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January 6, 1989

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PROGRAMS BENEFITING THE HOMELESS: FY87-FY89 APPROPRIATIONS TRENDS

SUMMARY

One of the most important debates over the Federal response to homelessness in America has been, and will probably continue to be, the question of funding for programs that primarily benefit the homeless. The 100th Congress enacted a comprehensive package of services to assist homeless people during a period of retrenchment for many other human service programs and amidst a mood of budget restraint. For many of these programs benefiting the homeless, the question has not been one of authorization levels, but rather one of appropriation levels.

This report reviews the three-year funding levels for the major Federal programs that primarily benefit the homeless. Most of these programs, covering such areas as primary health care, emergency food and shelter, mental health and substance abuse services, transitional housing, social services, education, and job training, were enacted by the Stewart B. McKinney Act (P.L. 100-77 and P.L. 100-628) and began receiving appropriations in FY87. The 18 programs presented in this report are not an exhaustive list of programs that serve the homeless, but they do constitute the major programs earmarked for homeless people.

The total FY89 appropriation for these selected programs was $426.6 million, higher than FY88 appropriations of $286.3 million, but still lower than the initial FY87 appropriations of $514.4 million. These figures do not include the monies for domestic food assistance that many soup kitchens and food pantries may use to serve the homeless and other needy people as a result of the Hunger Prevention Act (P.L. 100-435).

Over the past 3 years, only a few programs have received an increase in funding, and those that have are among the smallest of the programs serving the homeless. The largest program, on the other hand--the Emergency Food and Shelter Program--has had somewhat steady levels of funding from FY87 through FY89. Many of the other programs have experienced notable shifts in appropriations during their 3-year history.

The 101st Congress will be addressing the question of whether to fund and at what level to fund these programs in FY90. The McKinney Act programs are authorized through FY90 and, in some cases, FY91. President-elect George Bush has expressed the wish to fully fund these programs; however, at this point it is unclear how President-elect Bush's "flexible freeze" option might effect funding for programs benefiting the homeless.

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INTRODUCTION

Funding levels for programs primarily benefiting the homeless have been an issue of debate since Congress first enacted the Stewart B. McKinney Act (P.L. 100-77) during the summer of 1987. The McKinney Act authorized a comprehensive set of programs and benefits for the homeless, including primary health care, emergency food and shelter, mental health and substance abuse services, transitional housing, social services, education, and job training. The McKinney Act remains the single most important piece of legislation authorizing programs for the homeless, and the current law (P.L. 100-628) features 16 major programs. Two ongoing programs benefiting the homeless that are not included in the McKinney Act also warrant inclusion in this study: the Runaway and Homeless Youth Program (RHYP) and the Community Support Program (CSP). The former was established as part of the Juvenile Justice and Delinquency Prevention Act (P.L. 98-473) and the latter as part of the Public Health Service Act (P.L. 98-509).

The central issue of funding for programs benefiting the homeless is a more general dilemma: setting priorities to deal with the enactment of major new programs during a period of budget restraint. One major program benefiting the homeless in existence prior to the McKinney Act, the Emergency Food and Shelter Program under the authority of the Federal Emergency Management Agency (FEMA), has continued to receive the largest single appropriation for services to the homeless. The education and job training programs authorized by the McKinney Act have received modest, but steady appropriations. In contrast, Congress has not appropriated funds for the Supplemental Assistance program that the McKinney Act authorized the Department of Housing and Urban Development (HUD) to operate since FY87. Funding levels for other homeless programs have fluctuated over the past 3 years.

When Congress originally enacted the McKinney Act, it also passed a supplemental appropriations bill that included a title, "Urgent Relief for the Homeless," (P.L. 100-71) that funded many of the programs at levels at or close to their FY87 authorization level. Congress permitted most of these programs to carry over FY87 funds for expenditure through FY88 (i.e., those funds appropriated by P.L. 100-71). The Continuing Resolution for FY88 (P.L. 100-202) appropriated funds for these programs in FY88 that generally were well below the FY88 authorization levels, perhaps due in part to the availability of FY87 carry-over funds. Congress did not pass H.J. Res. 490, a bill to provide supplemental FY88 appropriations of $263 million so that these programs would have been funded up to the fully authorized level for FY88.[1]

Advocates for the homeless have long viewed Federal funding as the key issue in the debate on the public response to homelessness. Some advocates

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[1] For more information, see: U.S. Library of Congress. Congressional Research Service. Programs and Funding for the Homeless Enacted in the 100th Congress. CRS Report for Congress No. 88-91 EPW, by Ruth Ellen Wasem. Washington, Feb. 12, 1988.

MAJOR FEDERAL PROGRAMS

There is no single Federal entity responsible for matters related to the homeless. Although the Stewart B. McKinney Homeless Assistance Act established the Interagency Council on the Homeless, the programs providing services are administered by a variety of Federal departments and agencies. Following are brief descriptions of the major programs arranged by type of services.

Emergency Services

Emergency Food and Shelter Grants, Federal Emergency Management Agency (FEMA), (title III, subtitle B of McKinney Act) are administered by a National Board comprised of representatives from FEMA, the United Way of America, the Salvation Army, the National Council of Churches of Christ in the U.S.A., Catholic Charities U.S.A., the Council of Jewish Federations, Inc., and the American Red Cross. This board allocates monies to local boards that, in turn, distribute the monies to private nonprofit organizations and public service agencies that provide emergency food and shelter to homeless persons.

Emergency Shelter Grants Program, Department of Housing and Urban Development (HUD), (title IV, subtitle B of McKinney Act) authorizes grants to States, local governments and private nonprofit organizations providing assistance to homeless individuals according to the Community Development Block Grant program formula. Eligible activities include: renovating or converting buildings for use as emergency shelters; providing essential services concerned with employment, health, drug abuse or education; and covering the cost of maintenance, insurance, utilities and furnishings.

Runaway and Homeless Youth Program, Department of Health and Human Services (DHHS), (title III, part D, section 341 of Juvenile Justice and Delinquency Act) authorizes funding for shelters, coordinated networks, community-based centers and demonstration programs for runaway and homeless youth and their families.

Nonshelter Housing

Supportive (Transitional) Housing Demonstration Program, HUD, (title IV, subtitle C of McKinney Act) authorizes financial and technical assistance to States, local governments and private nonprofit organizations for the provision of transitional housing and supportive services for the homeless, including permanent housing for homeless handicapped persons, who are capable of moving into independent living.

Supplemental Assistance for Facilities to Assist the Homeless, HUD, (title IV, subtitle D of McKinney Act) authorizes awards to States, cities, urban counties, tribes, or private nonprofit organizations to 1) cover costs in excess of assistance provided under the emergency shelter grant or the supportive

Domiciliary Care Program, Veterans Administration (VA), (title VIII, sec. 801 of McKinney Act) operates as part of the ongoing domiciliary care program for veterans. It authorizes funds for the conversion of existing underutilized space in VA medical centers to be used as domiciliary care for homeless veterans in need of such care.

Education

Adult Education for the Homeless, Department of Education (ED), (title VII, subtitle A, sec. 702 of McKinney Act) authorizes a program of "State Literacy Initiatives" for grants to the States to implement a program of literacy training and basic skills remediation for homeless adults.

Education for Homeless Children and Youth, ED, (title VII, subtitle B, of McKinney Act) authorizes grants for the States to establish an Office of Coordinator of Education of Homeless Children and Youth in each State to assure that homeless children have access to public education. Section 723 of the Stewart McKinney Act allows for grants to State and local educational agencies for exemplary programs and the dissemination of information.

Job Training

Job Training for the Homeless, Labor, (title VII, subtitle C, of McKinney Act) authorizes a demonstration grant program in which the Secretary of Labor awards monies to States, local public agencies, private nonprofit organizations, private businesses and other appropriate entities. Authorized activities include: basic skills instruction; remedial education activities; basic literacy instruction; job search activities; job counseling; job preparatory training; and other activities described in section 204 of the Job Training Partnership Act.

Homeless Veterans' Reintegration Projects, Labor, (title VII, subtitle C, sec. 738 of McKinney Act) authorizes grant or contract programs to expedite the reintegration of homeless veterans into the labor force. It is administered through the Assistant Secretary of Labor for Veterans' Employment and Training under the general authority of the Secretary of Labor.

Social Services

Emergency Community Services Homeless Grant Program, DHHS, (title VII, subtitle D of McKinney Act) authorizes additional Community Services Block Grant (CSBG) funds to be allocated to States according to the same formula set forth in the Community Services Block Grant Act. The States ensure that 90 percent of the funds are awarded to community action agencies or other CSBG grantees already providing services to the homeless. Eligible activities cover a wide range of social services, including those deemed "homeless prevention."

FY89 AUTHORIZATIONS AND APPROPRIATIONS

Legislative History[6]

The House passed by a wide margin legislation to reauthorize and expand the McKinney Act, H.R. 4352, during the second session of the 100th Congress. During the floor debate, an amendment to convert the HUD programs, i.e., the emergency shelter grants, the supportive housing demonstration program, and the supplemental assistance program for the homelessness, into a block grant was narrowly defeated by a vote of 203 to 215. On September 28, 1988, the Senate passed Amendment No. 3297 which Senator Robert Byrd offered as an amendment to H.R. 4352, the House-passed omnibus homeless bill. The Byrd Amendment incorporated much of the language recommended by the various Senate authorizing committees. The programs for homeless veterans also were part of the reauthorizing package. On October 19 and 20, the House and Senate respectively agreed to the conference report on H.R. 4352 (Conference Report No. 100-1089). The President signed the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 on November 7, 1988 as P.L. 100-628.

The 100th Congress also enacted legislation concerning runaway and homeless children. The House and Senate both passed H.R. 1801, which included the reauthorization of the Runaway and Homeless Youth Program (RHYP) as part of the Juvenile Justice and Delinquency Prevention Amendments of 1988. An amendment to the Juvenile Justice and Delinquency Prevention Act to establish transitional living grants for runaway and homeless youth was incorporated by the Senate Labor and Human Resources Committee into S. 2742 and passed as part of the Byrd Amendment to H.R. 4352. House and Senate conferees agreed to fold RHYP provisions of H.R. 1801 and H.R. 4352 into H.R. 5210, the Omnibus Drug Initiative bill (P.L. 100-690). The reauthorization of the Community Support Program (CSP) is also part of the Omnibus Drug Initiative.[7]

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[6] For a more complete account, see U.S. Library of Congress. Congressional Research Service. Homelessness: Issues and Legislation in 1988. Issue Brief No. IB88070, by Ruth Ellen Wasem.

[7] For information on food assistance legislation, see U.S. Library of Congress. Congressional Research Service. Domestic Food Assistance: Overview of 1988 Issues and Legislation. Issue Brief No. IB88059 by Jean Yavis Jones and Joe Richardson. For information on housing legislation, see Homeless Housing: HUD's Shelter Programs. Issue Brief No. IB87098, by Susan Vanhorenbeck. For information on job training and JEDI, see Job Training: FY89 Budget and Legislative Issues. Issue Brief No. IB88027, by Karen Spar.

Table 1
FY89 Funding for Programs Primarily Benefiting the Homeless
(dollars in millions)

Department or Agency	Authorization [a]	Appropriation
Federal Emergency Management Agency:		
Emergency Food and Shelter	$129.0	$114.0 [b]
Housing and Urban Development:		
Emergency Shelter Grants	120.0	46.5 [b]
Supportive (Transitional)	100.0	80.0 [b]
Supplemental Assistance	10.0	0.0 [b]
Section 8 (SRO)	50.0	45.0 [b]
Health and Human Services:		
Health Services for Homeless	61.2	14.8 [d]
Runaway and Homeless Youth	[c]	26.9 [d]
Community Services for Homeless	42.0	18.9 [d]
Community Mental Health	35.0	14.1 [d]
Mental Health Demonstrations	11.0	4.6 [d]
Alcohol/Drug Demonstrations	14.0	4.5 [d]
Community Support Program	[c]	12.3 [c]
Education:		
Adult Literacy	10.0	7.1 [d]
Youth and Children	5.0	4.8 [d]
Labor:		
Job Training	13.0	9.4 [d]
Veterans' Reintegration	[f]	[f]
Veterans Administration:		
Mentally Ill Veterans	15.0	13.3 [b]
Veterans' Domiciliary Care	15.0	10.4 [g]

See endnotes following the table.

THREE-YEAR FUNDING TRENDS

When analyzing the funding trends for programs benefiting the homeless over the past 3 fiscal years, one should bear in mind several factors. Foremost, Congress permitted most of these programs to carry over FY87 funds for expenditure through FY88 (i.e., those funds appropriated by P.L. 100-71, the Supplemental Appropriations Act for FY87), in part because the McKinney Act was enacted in the last quarter of FY87. Since a significant portion of the FY87 monies as well as the FY88 monies were distributed in FY88, some confusion arose over total funding levels and what constituted "current services," i.e., expected costs of continuing ongoing programs without policy changes. This report analyzes congressional action and appropriation levels by fiscal year; it does not address "current services" for any given program for any given year. Moreover, no attempt is made to assess the effect of inflation on actual program levels. The dollar amounts that this report uses are the current dollars for each fiscal year.

The total appropriation for these selected programs has fluctuated markedly over the past 3 years. The FY87 appropriation of $514.4 million was the highest level of funding for programs benefiting the homeless. After a low of $286.3 million for FY88, funding has risen to $426.6 million in FY89. Thus, after a drop of 44 percent from FY87 to FY88, funding rose by 49 percent from FY88 to FY89. The net change from FY87 to FY89 was a decrease of 17 percent. Figure 1 presents these changes by service area.

Trends by Type of Services

Of all the major programs earmarked for the homeless, emergency services have received the most substantial portion of the appropriations each year. FEMA's Emergency Food and Shelter Program, which the National Board of not-for-profit and charitable agencies has administered since 1983, remains the single largest program serving the homeless. The RHYP, which predates the McKinney Act by more than a decade, has been funded at a modest, but steady level over the past 3 years. The other major emergency service program, HUD's Emergency Shelter Grants, has experienced dramatic shifts in appropriations during its 3 years of existence.

Nonshelter housing programs have also witnessed changes in funding levels; however, FY89 levels of $125 million approach the FY87 high of $135 million. One of the housing programs--Supplemental Assistance--did not receive funds in FY88 or FY89. On the other hand, the Section 8 SRO program is one of the few programs benefiting the homeless that has had budget authority in FY89 that surpassed the FY87 level. The Supportive (Transitional) Housing program, the major nonshelter housing program for the homeless, experienced a drop in FY88 appropriations to $65 million from $85 million in FY87, yet remained the second largest FY88 appropriation for major homeless programs. In FY89, the Supportive (Transitional) Housing program's appropriation has risen back up to $80 million.

almost the same level of funding in FY88 and FY89. The one program that provides a variety of social services, the Community Services Block Grant for the Homeless, has had its appropriations reduced by almost one-half from FY87 to FY89.

As the 101st Congress progresses, it will be addressing the question of whether to fund and at what level to fund these programs in FY90. The McKinney Act programs are authorized through FY90 and, in some cases, FY91. Moreover, the McKinney Act has authorized a new demonstration grant program for FY90 that is intended to reduce the number of AFDC recipients who live in "welfare hotels." President-elect George Bush has expressed the wish to fully fund these McKinney Act programs; however, at this point it is unclear how President-elect Bush's "flexible freeze" option might effect future funding for programs benefiting the homeless.

a. Unless otherwise noted, P.L. 100-71, the Supplemental Appropriations Act for FY87, is the appropriations law for FY87. P.L. 100-71 stated that for Urgent Relief for the Homeless, unexpended FY87 dollars could be carried over into FY88.

b. P.L. 100-202, the Continuing Resolution for FY88, is the appropriations law for FY88.

c. P.L. 100-404 appropriated these funds.

d. P.L. 99-591, an FY87 continuing resolution, appropriated $10 million of this total.

e. P.L. 100-436 appropriated these funds.

f. This total includes $5 million authorized as a transfer from FEMA disaster relief funds by P.L. 100-6, and an additional $5 million authorized and appropriated by P.L. 100-71.

g. Congress has not specified how much of CSP's total appropriation should be earmarked for projects serving the homeless; however, Conference Report 100-256, to accompany H.R. 3058, the Departments of Labor, Health and Human Services, Education and Related Agencies Appropriations Act, 1988, stated that at least $5 million of the total CSP appropriations were to be used for demonstration projects serving the homeless. Richard Pine of the National Institute on Mental Health Budget Office indicated that the figures reported here are the portions of the CSP appropriations spent on projects for the homeless in FY87, FY88, and FY89.

h. P.L. 100-404 appropriated a total of $10.5 billion for the VA medical care programs in FY89, and the VA plans to continue the specific domiciliary care program for homeless veterans at $10.4 million in FY89, according to Arthur Klien, VA Department of Medicine and Surgery Budget Formulation Office.

i. The conference report on H.J. Res. 395 indicated that $124.5 million was appropriated for adult education which included funds for the state literacy initiatives. According to Tom Johns and Marilyn Hall of the Department of Education, the House and Senate Appropriations Committees agreed that $7.2 million was to be spent on adult education for the homeless.

j. P.L. 100-628 states that $2.2 million of the $13 million authorized for Job Training for the Homeless shall be made available for the Veterans' Reintegration Job Training program administered by DOL. P.L. 100-628 also provides that if the total appropriation for Job Training for the Homeless falls below $13 million, the funding for the Veterans' Reintegration should be ratably reduced.